

lessors one calendar month's notice in writing requiring the lessee so to do. At any time or times prior to the expiration of the said period of one year the lessors may, by special resolution, reduce the annual ground-rent to be payable under the said new lease, or reduce the amount to be paid for such improvements as aforesaid, but, except with the previous consent in writing of the lessee, the latter amount shall in no case be reduced by the lessors by more than one-third of the amount at which such improvements have been valued at the last valuation thereof. And no sale shall be made of such new lease to any person other than the lessee after any such reduction, until one calendar month after notice in writing shall have been given to the lessee of such reduction.

The lessee may at any time before the sale of such a lease to any other person give notice to the lessors of the lessee's intention to accept the new lease upon the same terms as those at which the same is then open to be sold, and in such case the lessee shall be entitled to such new lease accordingly, and a new lease, counterpart and duplicate lease, shall be prepared and executed as aforesaid; but, in case any auction sale of the said lease shall be pending at the time of the giving of such notice, the lessee shall pay to the lessors such a sum, by way of costs of the lessors in and about preparing for such auction, as the lessors shall in their absolute discretion fix and determine.

Notwithstanding anything herein contained, and whether or not any such valuation as aforesaid shall have been made, it shall be lawful for the lessors and the lessee, at any time between one year before and one year after the expiration of the term hereby granted, to make and enter into a new lease as aforesaid of the said demised land for a term of twenty-one years, to commence at the expiration of the term hereby granted, on the same terms and conditions as this present lease (including these provisions for a renewal or new lease, but excluding any covenant to make improvements), at an annual ground-rent to be fixed by the lessors by special resolution.

If and in case no new lease of the said demised land shall be granted before the expiration of one year after the expiration of the term hereby granted, all improvements on the said demised land shall become and thenceforth be the property of the lessors, and the lessee shall absolutely forfeit all his rights conferred on him by this lease, and the land hereby demised shall be thenceforth freed from all encumbrances theretofore existing hereunder.

If the lessee shall make default in payment of the rent hereby reserved, or any part thereof, on any of the days hereby appointed for payment thereof respectively, and such default shall continue for a further space of one calendar month (whether such rent shall have been demanded or not), or if the lessee shall make default in the observance or performance of any of the lessee's covenants, conditions, or agreements herein contained or implied, it shall be lawful for the lessors forthwith, without any further delay and without any notice or demand whatsoever, to re-enter upon the demised land, and thereby determine the said term and all the rights, interest, claims, and demands of the lessee hereunder; and in such case the lessee shall nevertheless be liable to pay rent proportionally up to the day of such re-entry and damages in respect of any breach of covenant.

Notwithstanding anything herein contained, in case the lessors shall be desirous at any time during the term hereby granted to reserve and set apart for a school-site any part of the land hereby granted not occupied by any building, and not exceeding five acres, the lessee shall surrender the same free from encumbrances at the cost of the lessors for such consideration as may be agreed upon, and, in case of failure to agree, as may be fixed by arbitration of two arbitrators pursuant to "The Arbitration Act, 1890."

No. 5.

The COMMISSIONER OF CROWN LANDS, Wellington, to the UNDER-SECRETARY FOR LANDS.

Department of Lands and Survey,
District Office, Wellington, 7th November, 1903.

The Under-Secretary for Lands, Wellington.

Leases granted by School Commissioners.

In reply to your Circular No. 597 of the 21st ultimo, I have the honour to forward herewith for your information copies of two lease-forms used by the Wellington School Commissioners, together with a copy of a letter from the Secretary of the School Commissioners giving particulars of the cost of preparation and registration, &c.

JOHN STRAUCHON,
Commissioner of Crown Lands.

SIR,—

Wellington, 4th November, 1903.

In reply to your memo. of the 31st ultimo addressed to the Chairman of the Wellington School Commissioners, he directs me to forward herewith copies of the two forms of lease used by the Commissioners for town and country lands respectively, in which are set forth all the terms and conditions under which the lands are leased.

I am further to inform you that the total cost of the preparation and registration of each lease (which is borne by the lessee) is £2 10s. The Commissioners make no charge for either transfers or mortgages, but have no knowledge of what the parties may be charged by their solicitors or agents in connection with such transactions. The Commissioners' solicitors are not employed in connection with transfers or mortgages approved by the Commissioners.

I am, &c.,

J. H. W. WARDROP, Secretary.

The Commissioner of Crown Lands, Wellington.